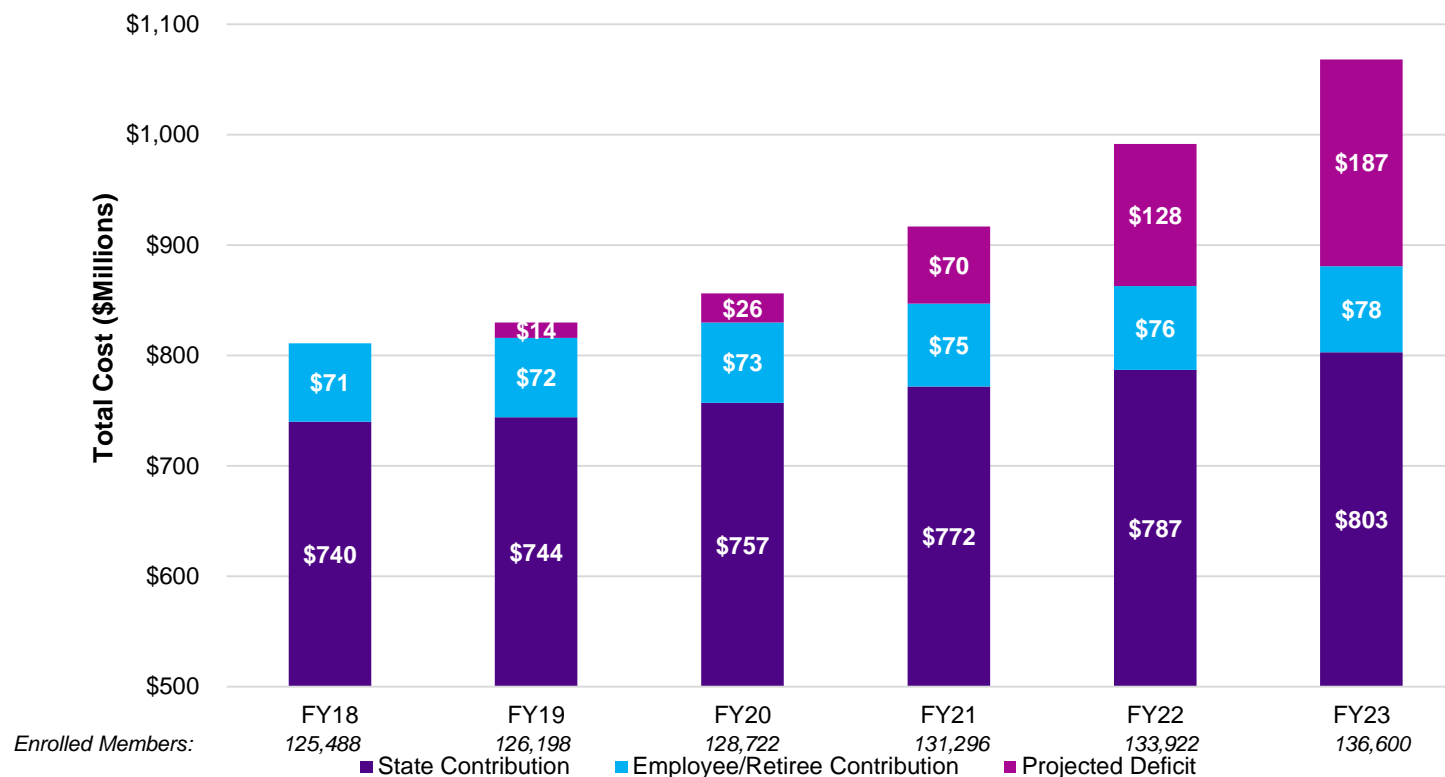


GHIP long term health care cost projections

Illustrative: hold premium rates flat FY20+



Every 1% of GHIP budget growth (trend) increases the FY20 projected budget by an additional \$8.6M. This would require an additional \$7.8M in State Contributions (\$5.2M from the General Fund), and an additional \$0.8M in employee/pensioner contributions.

Notes

- FY18 total cost based on final reported FY18 premium contributions per June 2018 fund equity report, and FY18 budget rates and enrollment
- FY19 total projected cost based on claims data for the period 1/1/2017-12/31/2018 weighted 35% earlier / 65% later period, estimated savings from expanded COE and site-of-care steerage implemented for 7/1/2018, 7.4% composite health care trend assumption, and enrollment as of December 2018.
- FY20-FY23 includes savings attributable to program changes (approved 2/11/2019) effective July 1, 2019, including site-of-care steerage, Highmark infusion therapy program and Livongo; assumes no additional program changes, 2% annual enrollment growth, and 5% annual health care trend (6% long term health care trend less 1% reduction for future initiatives); includes estimated excise tax liability starting calendar year 2022; includes estimated improvements in Rx contract based on best and final ESI FY20 renewal proposal
- FY19 and FY20 includes financial impact of legislative bills impacting GHIP (\$1.2m increase to FY19 budget and \$2.4m increase to FY20 projection).